

## Message Text

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64

ACTION EB-03

INFO OCT-01 EUR-10 ISO-00 AGR-03 COME-00 TRSE-00 OMB-01

STR-01 SWF-01 CIEP-01 SS-14 NSC-07 CIAE-00 DODE-00

INR-10 NSAE-00 PA-01 RSC-01 USIA-04 PRS-01 SP-02

DRC-01 /062 W

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R 101741Z OCT 74

FM AMEMBASSY BONN

TO SECSTATE WASHDC 5588

UNCLAS BONN 16073

PASS AGRICULTURE FOR GOODMAN AND GF/FCA

E.O. 11652: N/A

TAGS: EAGR, GW

SUBJECT: VOLUNTARY EXPORT CONTRACT SYSTEM FOR U.S.  
GRAINS AND SOYBEANS.

REF: STATE 221220

TRADE REACTION TO WHITE HOUSE ANNOUCEMENT REPORTED IN  
REFTEL AND CARRIED IN ALL FRG TRADE PAPERS WAS QUITE  
MIXED. THIS SUBJECT WAS THE TOPIC OF CONVERSATION AT  
THE WEEKLY MEETING OF THE HAMBURG GRAIN EXCHANGE. REP-  
RESENTATIVES OF INTERNATIONAL AND PROMINENT GERMAN GRAIN  
FIRMS FELT THEY HAD INSUFFICIENT INFORMATION TO JUDGE  
THE DIRECT IMPACT ON INDIVIDUAL TRADES. BROKERS,  
COMMISSION FIRMS AND BUYERS FOR CO-OPERATIVE END-USERS  
BELIEVED THIS DEVELOPMENT WOULD HELP ASSURE END-  
USERS IN GERMANY THAT THE U.S. WAS CONSCIOUS OF THEIR  
OBLIGATIONS TO TRADITIONAL CUSTOMERS. ON THE OTHER HAND,  
IT INCREASED THE THREAT IN THE MINDS OF SOME THAT THE  
POINT OF DIRECT U.S. GOVERNMENT INTERVENTION INTO EXPORT  
ALLOCATIONS HAD BEGUN AND STRONGLY SUGGESTED TO THEM  
THAT THE U.S. IS UNABLE TO MEET ITS REGISTERED GRAIN  
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COMMITMENTS. ALL ADMITTED THAT UNTIL THEY RECEIVED

SOME CLARIFICATION OF THE QUOTE ACCEPTABLE DESTINATIONS  
UNQUOTE, RE-SELLER TRADING AS IT HAS BEEN PRACTICED IN  
RECENT MONTHS SHOULD DECLINE. SEVERAL CONVERSATIONS  
TOUCHED ON THE RUMORED LARGE LONG POSITIONS HELD BY  
QUOTE ITALIAN RE-SELLERS UNQUOTE REPORTED TO BE LONG  
ABOUT FIFTY CARGOES OF WINTER WHEAT, ALL OF THEM EITHER  
LIMITED TO OR OPTIONED U.S. ORIGIN. IT IS THIS TYPE OF  
RE-SELLER MARKET EVERYONE BELIEVES TO BE DISQUIETING TO  
NORMAL END-USER BUYING BUT THOSE WHO PARTICIPATE SWEAR  
UP AND DOWN THAT THEY MUST PARTICIPATE IN ORDER TO STAY  
CURRENT IN THE CARGO MARKET THAT HAS MOVED AS MUCH AS  
FIVE TO TEN DOLLARS A TON PER DAY.  
HILLENBRAND

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TRADE, POLICIES, SOYBEANS, GRAINS, EXPORT CONTROLS, NEWS MEDIA COMMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 10 OCT 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974BONN16073  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D740289-0159  
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**Handling Restrictions:** n/a  
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**Office:** ACTION EB  
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**Original Previous Classification:** n/a  
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**Previous Classification:** n/a  
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**Review Authority:** martinjw  
**Review Comment:** n/a  
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**Review Date:** 08 APR 2002  
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**Review Transfer Date:**  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** VOLUNTARY EXPORT CONTRACT SYSTEM FOR U.S. GRAINS AND SOYBEANS.  
**TAGS:** EAGR, GE, US  
**To:** STATE  
**Type:** TE  
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